GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:5914
ANSWERED ON:02.05.2003
CUT IN ASSISTANT TO POWERLOOM SECTOR
RAM VILAS PASWAN

Will the Minister of TEXTILES be pleased to state:

(a) whether the Government have effected a heavy cut in the assistance given to powerloom sector under the new textile policy;.

(b) whether priority is being given to weaving of cloth from automatic machines in place of powerlooms;

(c) if so, the reasons therefore;

(d) whether it is likely to affect employment;

(e) if so, the details thereof; and

(f) the steps taken/being taken by the Government in this regard;

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL (YATNAL)

(a) No Sir.

(b) & (c) Priority is being given to the technological upgradation of the powerloom sector. Almost 93% of the 18 lakhs powerlooms in the country are located in the decentralised industry in units of an average size of 4.5 looms each. An estimated 16.36 lakh powerlooms are plain looms, not capable of producing defect free fabric at very low level of productivity. Considering that it accounts for 60% of the fabric production of the country and 4.3 million jobs, this sector requires an urgent and concerted effort to modernize its loomage to improve in competitiveness and quality.

(d) & (e) The assessment is that modernization of the textile sector, including that of the weaving sector, would bring about changes in the existing employment pattern of the industry, but will also bring in investment and growth, leading to creation of new employment opportunities in the textile chain far exceeding the perceived loss of jobs in inefficient units.

(f) Government has taken several initiatives to facilitate growth in the powerloom industry. These include:

(i) A programme for induction of 50,000 shuttleless and for 2.50 lakh semi automatic and automatic looms in the decentralised powerloom sector has been announced. Incentives have been made available under the Technology Upgradation Fund Scheme (TUFS) whereby the powerloom owner can reduce the cost of borrowing capital either by availing 12% upfront Capital Linked Subsidy or by obtaining 5% interest reimbursement of on the loan availed.

(ii) Import duty on shuttleless looms has been reduced and excise duty exemption has been given to indigenous automatic looms. Accelerated depreciation benefits at the rate of 50% have been extended on the weaving machinery installed under TUFS.

(iii) Powerloom Service Centres (PSCs), established to provide various services, such as skill upgradation and testing facilities to powerloom weavers have been upgraded with modern looms, other machinery and equipments to improve the quality of services and facilitation for modernisation.

(iv) Computer Aided Design Centres in Powerloom Service Centers have been established to provide value addition through design inputs into powerloom production.

(v) Powerloom Export Entitlement (PEE) quota has been provided to encourage powerloom exports.

(vi) A Special Group Insurance Scheme has been approved to provide cover to the powerloom workers against death, accident and disability.